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**Engagement in European Social Dialogue: an investigation into the role of social partner  
structural capacity**

Barbara Bechter, Bernd Brandl, and Thomas Prosser

**ABSTRACT**

*Despite the importance of social dialogue for the European social model, there has been little attention to the factors that account for social partner engagement with European social dialogue. On the basis of data from 28 European sectoral social dialogue committees this article investigates structural factors that account for the conclusion of European sectoral social dialogue agreements. It is found that actors' organisational density is a necessary but not sufficient factor for successful European social dialogue and four different categories of sectoral social partner engagement with European social dialogue are identified.*

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## 1. INTRODUCTION

The realization and functioning of a European social market economy which simultaneously promotes sustainable economic growth and social cohesion is also based and dependent on the functioning of *social dialogue*, i.e. on consultations, negotiations and joint actions between social partners (European Commission, 2015). Though social dialogue exhibits a high degree of institutional and organisational heterogeneity across European countries, it exists in all *European Union* (EU) member states (Marginson and Sisson, 2004). Even though social dialogue in the EU is deeply rooted in national structures, it has also increasingly taken place at European-level.<sup>1</sup> In particular, since the launch of an institutionalized European social dialogue in 1985, European social partners have attempted to simultaneously ensure the fair treatment of workers and foster the competitiveness of businesses in an increasingly integrated European market (Welz, 2008). The *European Commission* (EC) indeed sees social dialogue as important to its current objectives, and social partners have assumed a role in the ‘Europe 2020’ strategy and new ‘European semester’ system of governance (Meardi and Marginson, 2014).

Despite literature on the outcomes of European social dialogue, i.e. on the joint texts produced in European level social dialogue (Degryse, 2015; European Commission, 2010; Pochet *et al.*, 2009) and the quality of implementation outcomes (Prosser, 2012; Prosser and Perin, 2015), little is known about the structural factors that account for the participation of social partners in the dialogue (Keller and Sörries, 1998; Leisink, 2002), and especially since enlargement of the EU in 2004. Against the background that the EC recently emphasized the importance of adequate structures

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<sup>1</sup> In the following article we refer to national social dialogue, or national level social dialogue, to describe country-specific forms and structures of social dialogue which, depending on the country, can take place at either company, sector, or national level (or at a combination of different levels). For national social dialogue, in the sense that the domain of social dialogue covers the whole country, we use the term country-wide social dialogue.

of European social partner organisations and their national affiliates (European Commission, 2014), this article therefore aims to identify necessary and sufficient factors for the engagement of social partners at European level social dialogue by focusing on one major forum of institutionalized interaction, i.e. on *European sectoral social dialogue committees* (SSDCs). Against the background that in recent years European level social partner institutions became increasingly contested and reformed (Marginson and Welz, 2015), this endeavour will not only contribute to academic literature, but will also shine new light on how social partners can better contribute to the challenges of European integration.

The article is organized as follows. First it outlines the background and structural framework of European sectoral social dialogue and reviews its role and outcomes. On the basis of this a four-point framework is derived that conceptualizes different forms of social partner engagement in SSDCs. The paper's methodological and empirical strategies are then described, and findings are consequently set out. A conclusion that classifies sectoral social dialogue regimes on the basis of the analytical framework and discusses the impact of the results on European social dialogue's prospects is finally reached.

## **2. THE IDEA AND FRAMEWORK OF THE SECTORAL SOCIAL DIALOGUE**

In the majority of Western European countries, the sector is (still) the traditional and predominant level at which social partners organize and conclude collective agreements on work and employment related issues (European Commission, 2015). Though in recent decades sectoral agreements in Western European countries have tended to fragment by a steady process of decentralization of collective bargaining (Hyman, 2001; Marginson, 2015; Marginson *et al.*, 2003) and sectoral dialogue remains, with a few exceptions, 'poorly' developed in Central and Eastern European (CEE) countries (Meardi, 2007), sectoral social dialogue in Western Europe still plays an important role in the governance of work and employment (Meardi and Marginson, 2014).

Against the background of the existence of sectoral social dialogue structures in many European countries, European public authorities have also promoted the sector as a key level of European social dialogue (Dufrense *et al.*, 2006; Falkner *et al.*, 2005; Keller and Sörries, 1998; Welz, 2008). A particular concern has been fostering SSDCs; these institutions were launched in the 15 member states of the EU (EU-15) in 1998 to replace the existing structure of joint committees and informal working groups.

SSDCs are forums where national sectoral social partners exchange information on a wide range of social and work related issues and which also enjoy the right to negotiate and conclude EU-level agreements.<sup>2</sup> Such committees are established for those sectors in which organisations representing the interests of workers and employers at European level fulfil representativeness criteria (European Commission, 1998), measured by their structural capacity to engage effectively in SSDCs. In line with the procedures for EU-level bargaining outlined in Article 154 and 155 of the *Treaty on the Functioning of the European Union* (TFEU), sectoral social partners may conclude agreements to be implemented either autonomously by social partners or by legally binding Council Directive. Sectoral social partners may also issue bipartite joint texts; such output takes the form of process oriented texts (codes of conduct, frameworks of actions, guidelines), follow-up reports and joint opinion, declarations and tools yet is of a non-legally binding character (Welz, 2008).

SSDCs have achieved some notable successes. The institutions have spread to over forty European sectors, and have produced hundreds of joint texts and fifteen collective agreements. These collective agreements have been concluded in a range of sectors and concern topics as diverse as working time, lifelong learning and health and safety. Though some agreements have been implemented autonomously, most have been implemented via Council Directive (Degryse, 2015; European Commission, 2015). SSDCs have nonetheless also been the subject of critique. Discrepancies in sectoral adoption of SSDCs have long been noted, with many highlighting the

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<sup>2</sup> In the following we use the term national sectoral partners to describe employers' organisations and trade unions which represent the interests of their constituencies within their home country.

absence of SSDCs from certain European sectors (Leisink, 2002; Pochet *et al.*, 2009). The integrity of SSDC output has additionally been disparaged (De Boer *et al.*, 2005; Keller, 2003). Not only has the paucity of SSDC agreements in comparison to national sectoral industrial relations regimes been commented upon (Pochet, 2005), but the quality of SSDC joint texts has been belittled.<sup>3</sup> Such texts, the criticism goes, are of weak strength and often the subject of underwhelming implementation (Falkner *et al.*, 2005; Keller, 2008; Keller and Weber, 2011; Léonard and Perin, 2011). In addition to this it is often argued that certain SSDC outcomes concern topics that are rather peripheral to the employment relationship (Keller and Sörries, 1998; Prosser, 2012; Prosser and Perin, 2015).

There is no doubt that SSDCs have achieved a wide range of outputs yet that the texts produced differ in their status and follow-up provisions (Degryse, 2015; Dufresne *et al.*, 2006). The most important type of outcome is certainly ‘agreements’ (European Commission, 2012), which are concluded in accordance with procedures outlined in the TFEU (Article 154 and 155). Such agreements are implemented via *legally-binding Council Directive* or *non-legally binding national ‘procedures and practices’* for social dialogue and thus affect the everyday working lives of employers and employees. The impact of joint texts is generally not extensive. Though some may achieve significant impact, their lack of specified implementation procedures and occasionally minor subject matter mean the effects of others are slighter. The focus of this study is investigation of the factors that promote the conclusion of agreements rather than assessment of quality of output, as we have stated there is sufficient literature on the latter issue, yet the superior quality of agreements mean they are privileged as dependent variable in the analyses.

Previous research on EU-level social dialogue outcomes has stressed that differences in the quality and quantity of SSDC outcomes rests on the interest of actors, expressed through external factors such as policy developments at European level which incentivize social partners to engage in European social dialogue so as to influence eventual policy (Leisink, 2002; Smisman, 2008). Even though these factors matter and they are interrelated with structural influences (Léonard *et al.*, 2011),

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<sup>3</sup> Analogous with our definition of national sectoral partners we use the term national sectoral industrial relations to describe sector level industrial relations within countries.

our analysis concentrates on the structural capacity of social partners. There is evidence that the structure of some industrial relations systems constrains the ability of social partners to conclude binding agreements at national level and the same is hypothesized to be true at EU-level (Keller and Sörries, 1998; Leisink, 2002; Perin and Léonard, 2016).

There are several properties of sectoral industrial relations systems which potentially influence the ability of social partners to negotiate agreements. Most notably, there is the associational strengths and legitimacy of social partners involved in social dialogue which is traditionally considered in literature to be a prime determinant of social dialogue outcomes (Crouch, 1982; Ebbinghaus, 2002; Furåker and Bengtsson, 2013). Thus, one very important property of industrial relations systems is trade union density which is the source of trade union strength and legitimacy (Hyman, 1997) and expresses the share of employees who are members of a trade union compared to the total number of employees in the domain. In fact there are good reasons for considering trade union density (i) to be a key factor in promoting effective social dialogue as a ‘sufficiently’ high union density has been shown to be crucial in compelling employers to engage in social dialogue (Crouch, 1982). Strong employers’ organisations (ii) also appear an important factor in promoting effective social dialogue and therefore are also likely to be important to the conclusion of European agreements. The coordination of individual employers’ interests via employers’ organisations has been a traditional precondition to successful multi-employer bargaining, and membership density is a key indicator of employers’ organisation strength (Traxler *et al.*, 2001) which also potentially influences capacity to negotiate agreements. There is little reason to think that this would not apply to European sectoral level since strong social partner organisations are seen as a prerequisite for effective engagement at European level (European Commission, 1998). A third key factor is collective bargaining coverage (iii); this is an indicator of the relevance of collective bargaining (Traxler and Brandl, 2011) and the capacity of actors to govern work and employment related issues. A fourth potentially relevant factor is the ‘experience’ of social partner interaction which can be operationalized by frequency of meetings (iv). Jacobsson (2004) emphasizes how involving national actors in EU-level policy cooperation procedures impacts upon their willingness to participate in

European governance, suggesting that the experience of participation and achieving consensus on policies can contribute to the conclusion of agreements. SSDCs should meet at least once a year (European Commission, 1998) and usually between three and four meetings take place a year however, depending on the work-program and policies SSDCs are tackling, they can meet more frequently (European Commission, 2010: 98). Given the existence of such precedents in literature, there is good reason to examine the relationship between meeting frequency and the conclusion of SSDC agreements.

According to the European Commission (1998) the ability of social partners to engage effectively in SSDCs and to negotiate agreements at EU-level is grounded in the structural capacity of social partners to negotiate and conclude collective agreements at the national level. To test this, structure- and actor-related factors are combined by comparing the structural capacity of social partners in the EU member states and their engagement at EU-level across 28 sectors to explain the outcome SSDC agreement using the framework outlined below.

### **3. ANALYTICAL FRAMEWORK**

Trade unions and employers' organisations in European member states are not only embedded in different economic and institutional contexts (Crouch, 1982), but they also have different preferences. With the creation of the single market, trade unions increasingly have to deal with pressures emanating from beyond national boundaries. The existence of such pressures means they need to address work and employment issues at the European level and coordination at EU-level can be regarded as a joint effort to minimize competitive pressures exerted on national workforces (Larsson, 2012).

There is a body of literature on the reasons why social partners engage in social dialogue at different levels (Leisink and Hyman, 2005) and also on the range of interdependencies between social partners at national and EU-level (Beyers, 2002). This work draws upon such studies, specifically on



the work of Beyers (2002) who investigates the emergence of EU-level institutions and the impact they had on the integration of national interest associations in EU-level policy making. On the basis of the relationship between the structural capacity and embeddedness of social partners in national dialogue and their EU-level engagement, four categories are derived.

Based on the dimensions describing the structural capacity of social partners, i.e. trade union density, employer density, collective bargaining coverage and frequency of meetings, four separate categorizations of EU-level engagement are identified. The four different categories of the interrelationship between the structural capacity of actors and SSDC engagement are illustrated in Table 1. The aim is to assign sectors to each of the four categories and to identify configurations of factors that are associated with SSDC agreements, i.e. outcomes. However, not many sectors utilize their SSDC engagement potential effectively (European Commission, 2010: 98). This may result from the fact that the advantages of influencing policy making at the European level may increase overall transaction costs (Marginson and Sisson, 2004) or from the ability of social partners to achieve efficient outcomes for their members at national level. The main question therefore concerns the configuration of the four dimensions representing the engagement category that is most effective with respect to the agreements concluded and scope and coverage of sectors.

- Table 1 about here -

A first category of social dialogue is '*simultaneous engagement*' and involves actors attempting to realise their interests at both national and EU-level. The simultaneous engagement category assumes that if trade unions and employers are an integral part of national social dialogue systems, with high social partner density rates and adequate structures for collective bargaining, they are likely to engage in European social dialogue so as to attempt to control EU-level policy-outcomes. Sectors in which there are high levels of social partner density and collective bargaining coverage and high levels of engagement at European-level might be assigned to this category.

A second category of social dialogue is ‘*traditional*’ and occurs in sectors in which actors are involved in well-established systems of national sectoral dialogue yet, as a result of their ability to fulfil objectives at national level, have limited interest in engaging in European-level social dialogue. In service sectors, for example, it has been observed (Bechter *et al.*, 2012) that social partners exhibit only limited motivation to participate in EU-level policy making and rather try to put their own strategies in place to retain or gain competitive advantage. Sectors in which there are high levels of social partner density and collective bargaining coverage and low levels of engagement at European-level would be assigned to this category.

A third category of social dialogue is ‘*compensation*’ and occurs in sectors that are characterised by underdeveloped national social dialogue structures. To pursue the interests of their members, social partners seek access to EU-level policy-making forums so as to ‘compensate’ for their weaknesses at national-level (Ronit and Schneider, 2000). Sectors in which there are low levels of social partner density and collective bargaining coverage and high levels of engagement at European-level would be assigned to this category.

A fourth category of social dialogue is ‘*disengagement*’ and occurs when actors are disengaged at both national and European-level. On one hand the actors are weak and lack appropriate social dialogue structures to engage effectively at national level and, on the other hand, such inadequate structures hamper the ability of social partners to realise objectives at EU-level. Sectors in which there are low levels of social partner density and collective bargaining coverage and low levels of engagement at European-level would be assigned to this category.

## **4. EMPIRICAL ANALYSIS AND FINDINGS**

### **4.1. Methodology**

Previous literature on SSDCs outcomes was largely based on qualitative case study analyses investigating a single sector (Leisink, 2002; Lethbridge, 2011), country, or a limited number of sectors and/or countries (Dufresne *et al.*, 2006; Keller and Sörries, 1998; Léonard *et al.*, 2011). The problems inherent to previous literature is that the number of factors explaining outcomes is large relative to the small number of cases. This poses an obstacle to causal analysis (Edwards, 2005). For this reason a case-oriented comparative research design is applied that systematically seeks to establish a relationship between causally relevant conditions and a clearly specified outcome.

We use *Multi Value Qualitative Comparative Analysis* (MVQCA), see Cronqvist (2004), which is an analytical approach that investigates the relationship between the structural dimensions of social dialogue and the outcome of EU-level engagement. The central goal of MVQCA is to identify configurations of (interrelated) factors such as trade union density, employer density, collective bargaining coverage and frequency of meetings, to assess if different sector-specific configuration of conditions may lead to the same outcome. Interviews complement the data used in the MVQCA and therefore enhance the quality of case studies. In total six interviews which focused on the structural capacity and role of actors with key social dialogue representatives at the EU-level were conducted; these are the basis for the within-case analysis for the classification of social partners' engagement.

To study causal relationships with MVQCA, the factors need to be translated and coded in set-theoretic terms, i.e.: trade union density, employer density and collective bargaining coverage is measured on an ordinal scale by differentiating between low, medium, and high observations. For the frequency of meetings a binary scale (low, high) is used. The need to develop a coding scheme and thus a classification implies that a line has to be drawn. In order to draw this line in a meaningful way we base our coding on previous literature. A common coding strategy in MVQCA literature (Cronqvist, 2004), as well as in industrial relations literature (Traxler *et al.*, 2001), is to make use of averages and categorise cases accordingly. As our unit of analysis is the sectoral level we are using averages across countries for sectoral indicators. We consequently consider average trade union density rates greater than 50 per cent to be high, and classify rates between 20 and 50 per cent as medium, and below 20 per cent as low. The selection of this threshold is consistent with previous

studies (Bechter *et al.*, 2012). For employers' organisations, which typically have higher density rates than trade unions (Brandl and Lehr, 2016), we use a criterion of 60 per cent density for high and between 40 and 60 per cent for medium and below 40 per cent for low membership rates. For collective bargaining coverage, which is also typically higher than trade union density, we consider coverage above 80 per cent to be high, between 60 and 80 per cent medium and below 60 per cent to be low (Traxler *et al.*, 2001). Since the EC provides financial support for the organisation of three SSDC meetings per year, we use a binary factor for frequency of meeting to distinguish between less than four meetings and equal or more than four meetings. For further details see notes in Table 2.

The main objective of the analysis is to examine the relationships between the structural conditions and social partners' engagement at the European level and the outcome of sectoral social dialogue (agreements). In MVQCA structural factors can be interpreted as sufficient if the outcome 'agreement' always accompanies the condition; contrastingly a condition is necessary if the condition accompanies the outcome. As outlined before, the ability of social partners to engage effectively in SSDCs and to negotiate agreements at EU-level is grounded in the structural capacity of social partners in the EU. The study aims to show that agreements negotiated between social partners at the European-level are explained by multiple and complex configurations of conditions which are potentially necessary and/or sufficient.

In the process of carrying out MVQCA, iterative research steps are involved so as to establish evidence based relationships between structural conditions and SSDC agreements. Basically, the identified contradictions lead us to carry out within-case analysis and interviews with representatives of European social partner organisations during March and April 2015 and May 2016 in order to understand the reasons for the sectors displaying contradictory outcomes. From a systematic comparison of the structural conditions with MVQCA it is possible to identify sectors which share the same characteristic (Table 2) and to identify necessary and/or sufficient configurations of conditions for the outcome 'agreement'. Based on the configurations identified in the so called truth table the sectors were allocated into the respective categories specified in the analytical framework (Table 3).

## **4.2. Data**

The study relies on data obtained from cross-national and cross-sectoral studies of industrial relations systems in 27 member states of the EU (EU-27). Croatia, which joined the EU in 2013, was not considered in the analysis as data is systematically missing. The data is drawn from the Eurofound sectoral social partner representativeness studies (see Eurofound, 2016).

From the sectors for which sectoral representativeness studies exist until 2016, certain sectors were excluded from analysis for reasons of data availability and applicability. For some sectors there is a lack of available data on the main indicators of sectoral industrial relations. For other sectors data on the indicators is not applicable which was caused by high sectional overlaps of actors between different sectors. A full list of studied sectors with details is provided in Table A1 in the Appendix. In sum, sector selection aims to guarantee that a representative set of SSDCs, which also includes a sufficiently high variance of sector-specific contextual properties such as, for example, differences in the exposedness of sectors to international competition, size and economic relevance, as well as role in EU policy developments (Keller and Sörries, 1998; Smisman, 2008), is considered. Furthermore, the selection of sectors also accounts for differences between the private and public sector. For example, trade union density is traditionally higher in the public sector and employers' organisations density is lower (Bach and Bordogna, 2016). So as to test if the sample selection caused any bias in results, various tests of robustness were carried out by investigating different subsets of sectors. All these tests support the results.

The study analyses the record of SSDCs since they were launched in 1998 and takes into account the fundamental change of the EU due to enlargement in 2004. Thus the empirical analysis covers SSDC agreements concluded in the EU-27 from May 2004 (the date of enlargement of the EU) to December 2013 (Degryse, 2015; European Commission, 2015) taking the overall structural capacity of social partners representing the EU-27 in SSDCs into account.

### 4.3. Empirical analysis and results

Table 2 shows the observed configurations of the 28 cases (i.e. sectors) and four conditions. In total 16 different configurations of conditions were identified which are clearly associated with the outcome ‘agreement’. The MVQCA identified different configurations of factors for the eight industries for which SSDC agreements were concluded. In the following section these results are discussed in more detail.

- Table 2 about here -

The conditions identified as being relevant for the outcome agreement in *railway* and *hospitals* are high trade union density in combination with high employer density and high frequency of meetings. The MVQCA identified alternative configurational explanation. The simultaneous presence of the conditions high employer density and medium collective bargaining coverage in the *sea and coastal water transport* sector display the outcome agreement, low collective bargaining coverage and frequent meetings were found to produce the outcome agreement in the *sea fisheries* sector, and low employer density produces the outcome agreement in the *chemical sector*. Three more agreements were concluded in sectors representing different configurations of conditions. However, the same configurations of these cases also cover sectors for which no agreements were concluded. Such contradictory outcome affects sectors such as *inland water transport*, *private security* and *personal services*. In the case of *inland water transport*, sectors also covered by the same configuration of conditions (*education* and *public administration*), did not conclude agreements. Another contradictory configuration is found in sectors such as *insurance*, *tanning and leather*; an agreement was concluded only in the *private security* sector but not in *other two sectors*. These contradictory cases require further inspection.

The results indicate that the absence of agreements in sectors (*education and central government*) that show the same configurations as *inland water transport* is produced by the configuration low employer density in combination with high collective bargaining coverage. In the case of the *commerce* sector, which shows the same configuration as *personal services*, the factors that are associated with the absence of the outcome agreement are low employer density and low collective bargaining coverage. In contrast, the absence of the outcome agreement in sectors showing the same configurations as *private security* is produced by the configuration medium trade union density in conjunction with high employers' organisations density. Having looked at the structural conditions first, *hospitals*, *railway infrastructure* and *sea and coastal water transport* are distinguished by rather strong industrial relations structures across the EU-27, while *chemical*, *inland water transport*, *personal services* are distinguished by weak structures, and *private security* is characterized by relatively weak structures. Among those sectors characterised by relatively weak industrial relations structures, but displaying agreements, *inland water transport* and *private security* exhibit low EU-level engagement, while sectors such as *chemical*, *personal service*, and *sea fisheries* display *high engagement*,

The findings highlight the importance of structural conditions in the conclusion of SSDC agreements, but they are neither necessary nor sufficient for sectors characterised by low EU-level engagement. To analyse the role of engagement, the theoretical framework is augmented in order to explain the interrelationship between structural factors and engagement strategies across sectors by differentiating between four categories: 'simultaneous engagement', 'traditional', 'compensation' and 'disengagement'.

#### **4.4. Classification of sectors**

Five out of eight cases for which outcomes were concluded represent examples of high SSDC engagement and can be classified as examples of 'simultaneous engagement' and 'compensation'. 12

out of 20 sectors for which no agreements were concluded represent the ‘traditional’ and the ‘disengagement’ categories in the analytical framework.

- Table 3 about here -

Cases such as the *railway* and *hospital* sector clearly belong in the ‘simultaneous engagement’ category. These sectors are characterized by robust social dialogue structures across the EU in the sense that trade union and employer densities as well as collective bargaining coverages are high. In addition to this regular SSDC meetings can be observed. Therefore the conclusion of European agreements implies that this industry uses European dialogue in order to complement national activities and realise policy objective which may be difficult to achieve at national level. The *civil aviation* and the *post and courier sector* and *electricity sector*, in which regular SSDC meetings take place yet no agreements have been concluded since 2004, might also be assigned to this category. Also, as can be seen in Table 3, five out of eight sectors for which agreements have been concluded are characterized by high engagement in SSDC. Consequently, the other three sectors with agreements are characterized by low engagement.

The agreements concluded in sectors assigned to the ‘compensation’ category are consistent with the premises of this category, which state that where trade unions and employers are not an integral part of national social dialogue systems they seek to compensate at European sectoral level. Sectors classified in the category ‘compensation’ and which did conclude EU-level agreements are *chemical*, *personal service*, and *sea fisheries*; these are sectors rather characterised by weak structures, i.e. relatively low employer and trade union density and low collective bargaining coverage, but high engagement in SSDCs. Though such industries exhibit rather weaker national social dialogue structures, regular SSDC meetings and the conclusion of agreements indicate that European-level dialogue assumes a compensatory role. The SSDC agreement concluded in the *sea fisheries sector* promotes the implementation of the International Labour Organisation Convention on



work in this sector. In the case of the *personal service sector* social dialogue is to a large extent union driven.

Other sectors occupy a more tentative position in this category. *Agriculture, commerce, gas, horeca, and telecommunications* are distinguished by rather underdeveloped social dialogue structures (in the sense that social partners' densities can be considered to be medium) and regular SSDC meetings, yet the inability of these sectors to conclude agreements suggests that in general the extent to which they are able to compensate for weaker national dialogue structures is more limited.

Cases representing the 'traditional' category are sectors where there is high collective bargaining coverage and trade unions and employers' organisations are well organized in the sense that densities are relatively high and these organisations play integral roles at the national level. The *banking, education, public administration, steel, and sugar* sectors may be assigned to this category. Though robust national social dialogue structures exist in these industries in the EU-27 member states, infrequent SSDC meetings and the absence of agreements implies that social partners fail to take advantage of European social dialogue. The cases of *inland water transport* and *sea and coastal water transport* are more puzzling. The properties of these sectors are consistent with the 'traditional' category, yet agreements were concluded in both industries. As expressed in the interviews, explanations for the presence of agreements in this category are the EU-level relevance of issues and the importance of establishing shared standards in the EU-27 in order to prevent social dumping and unfair competition.

Some attempts have been made by sectors such as *education* and *public administration* for which SSDCs were established in 2010. However, as in the case of *public administration*, not all countries engage in EU-level dialogue and as a consequence the framework agreement concluded in 2010 is only binding for the 11 member states which so far take part in EU-level dialogue (Degryse, 2015: 33). This agreement was therefore not considered in the analysis.

By contrast, sectors in the 'disengagement' category are characterised by weak social dialogue structures in the sense that employers' organisations and trade union densities and collective

bargaining coverages are relatively low. Social partners in these cases lack necessary resources to engage effectively in social dialogue which explains the absence of engagement at European level and agreements. Sectors such as *cleaning activity, footwear, insurance, metal, paper, tanning and leather* and *textiles and clothing* are best positioned in the ‘disengagement’ category. Not only are there rather weak national social dialogue structures in these industries, but SSDC meetings are held infrequently and agreements were not concluded. In general, all sectors classified in the category ‘disengagement’ are ill-equipped to engage in both national and European social dialogue yet an exception is the *private security* sector. This sector concluded an autonomous agreement according to Article 155 (TFEU) on issues of EU-wide relevance (i.e. training standards for staff carrying out cross-border transport of euro-cash (European Commission, 2015). A prominent example in the ‘disengagement’ category is *metal*. The *metal* sector is a traditional strong hold of industrial relations in the EU-15 however, since enlargement in 2004 and based on a change in the structural capacity in EU-27 countries, the metal sector has moved from the ‘traditional’ to the ‘disengagement’ category by the inclusion of CEE countries in the sample, with very few attempts to develop dialogue at the EU-level. An interviewee identified such challenges as the distribution of power between countries and lack of willingness to acknowledge legitimate interests of social partners. However, the fact that the categorization of sectors remains predominantly stable, independent from the country sample, supports the fact that industrial relations systems at sector level are more similar across countries than across sectors within countries (Bechter *et al.*, 2012).

The analysis of the relationship between the structural capacity of actors and their engagement practices between 28 sectors generally indicate that effective social dialogue demands strong actors and that strong trade unions are particularly crucial in compelling employers to engage in social dialogue. Findings on the relevance of meeting frequency are more complex. In some cases the compensation hypothesis, in which social partners ‘compensate’ for weak national structures at European-level, was confirmed and in such cases frequency of meetings appears to have made a difference in prompting the conclusion of an agreement. As highlighted in the interviews and according to previous literature, deeper cooperation requires a shared understanding of the relevance

of topics (Larsson, 2012). As in the *chemical* and *personal service* sectors SSDC negotiations can lead to agreements if topics are of EU-wide relevance and social partners require EU-wide regulation. There are still cases equipped with the relevant structural capacity but these sectors tend to persist in seeking access to EU-policy making. They tend to prefer to regulate competition at the national level. The sectors classified in the ‘traditional’ category represent industries providing services to the national market and highly concentrated industries dominated by a few multinational employers.

## **5. DISCUSSION AND CONCLUSION**

The EC emphasizes the importance of adequate social partners’ structures for effective national and European social dialogue. However, little is known about which structures matter and stimulate effective engagement in European sectoral social dialogue. With regards to the structural capacity of social partners, our findings show that the combination of high organisational density of employers’ organisations and trade unions as well as high collective bargaining coverage are generally important and necessary factors which are clearly associated with the effective conclusion of SSDC agreements. However, these factors are not sufficient for the conclusion of agreements. Social partners at the European level act within structural constraints. Hence, coordinating national constituencies is difficult if they are strong with regard to their structural capacity but ‘persist’ in engaging in the work of SSDCs. Likewise, social coordination is challenging if constituencies in the EU are weak and therefore remain ‘disengaged’ at both the national and EU-level. This research provides some hope for sectors characterised by underdeveloped national social dialogue structures (represented in the ‘compensation’ category); there is some evidence that EU-level engagement can result in agreements if there is a shared understanding of the relevance of issues and common interest among social partners to cooperate at EU-level. Given the heterogeneity of national contexts (economic and institutional), defining common positions is difficult. Social dialogue between the European social

partners and their constituencies at the national level is thought to facilitate the development of shared understanding and cooperation.

The findings generally highlight the importance of structural factors to achieve this; however strong social partners are not sufficient for the conclusion of SSDC agreements. Factors explaining the absence of agreements already point at possible implications for the implementation of agreements. Referring to the four categories in the analytical framework, both legally binding and non-binding agreements seem to be suitable for sectors where social partners play an integral part in the social dialogue system and engage in policy making simultaneously at national and EU-level ('simultaneous engagement' category), because of the structural capacity and engagement social partners are prepared to cooperate and to conclude and implement agreements autonomously. In the other categories neither cooperation nor successful implementation of agreements can be assured. On the one hand (voluntary) cooperation cannot be expected from sectors which are characterised by strong national structures and are trying to put their own strategies in place in order to gain competitive advantage (the 'traditional' category). On the other hand, in the absence of adequate structures the implementation of agreements concluded in sectors with 'underdeveloped' national social dialogue structures (the 'compensation' and 'disengagement' categories) is unlikely. Regarding the enforcement of agreements, legally non-binding agreements are not suitable for sectors classified in the 'compensation' and 'disengagement' categories because national social partners lack the capacity to achieve this.

Since the Lisbon Strategy in 2000 there has been a trend to use soft law as a mode of European governance. In literature such soft approaches to regulate employment policy in the EU have been criticized for displacing legal instruments. Proponents of soft governance mechanisms emphasise the positive effect of soft law on promoting the social dimension of European integration; it is argued that such regulations may cause unintended impacts (Falkner *et al.*, 2005; Perin and Léonard, 2016). Our findings indicate that, given structural constraints, centrally framed agreements that set out main principles but leave the determination of details to the national level may be neither successful nor sufficient for sectors in which industrial relations are weak.

With regard to effective engagement and the governance of SSDC agreements, our findings rather favour the implementation of agreements through EU Directives over the use of autonomous agreements which are dependent on weak or absent national institutions. Hence, not all sectors benefit equally from more autonomy; in some cases autonomous agreements may encourage further decentralisation rather than the robust regulation of work and employment issues. National diversity must be taken into account when protecting national practice and standards from being undermined by European influences. Overall, there needs to be more political appetite for legally binding consultations of SSDCs, treaty-based enhancement of SSDC competencies, or more financial support for SSDCs so that the Europe 2020 strategy materializes.

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## **APPENDIX**

- Table A1 here -

## Tables

*Table 1: Factors stimulating engagement in European sectoral social dialogue*

European sectoral social dialogue engagement			
		High	Low
Structural capacity of sectoral social dialogue systems at national level	<b>Strong</b>	Actors engage extensively with national and European social dialogue structures.  <i>Simultaneous engagement</i>	Actors rely mainly on national social dialogue structures to realise interests.  <i>Traditional</i>
	<b>Weak</b>	Actors seek to compensate for poor national social dialogue structures at the European level  <i>Compensation</i>	Actors are disengaged at the national and EU-level.  <i>Disengagement</i>

Table 2: MVQCA truth table for period 2004-2013 for EU-27 and 28 sectors

Conditions				Outcome	Sectors
Union density	Employer density	Bargaining coverage	# Meetings	Agreement	
Medium	Low	High	Low	<b>C</b>	Education, inland water transport*, public administration
Medium	Medium	Medium	Low	No	Metal, paper
Low	Medium	Low	High	Yes	Sea fisheries*
Medium	Medium	Low	Low	No	Textile clothing
Medium	High	Medium	Low	<b>C</b>	Insurance, private security*, tanning & leather
Low	Medium	Medium	Low	No	Cleaning activity, footwear
Low	Medium	Medium	High	No	Horeca (Hotel/restaurant/catering)
Medium	High	High	High	No	Electricity, post & courier
Low	Low	Low	High	<b>C</b>	Commerce, personal services*
Medium	High	High	Low	No	Banking
Medium	Medium	Medium	High	No	Agriculture, telecommunications, gas
High	High	High	Low	No	Steel, sugar
High	Medium	High	High	No	Civil aviation
High	High	High	High	Yes	Hospital*, railway infrastructure*,
High	High	Medium	Low	Yes	Sea & coastal water transport*
Medium	Low	Medium	High	Yes	Chemical*

*Note:* Categorisation of Union density: Low [<20%], Medium [20%-50%], High [>50%]; Employer density: Low [<40%], Medium [40%-60%], High [>60%]; Bargaining coverage: Low [<60%], Medium [60%-80%], High [>80%]; SSDC meetings: Low [<4 meetings], High [ $\geq$ 4 meetings]. **C** indicates contradictions in outcomes which means that the same configurations can lead to different outcomes in different sectors, i.e. Agreement {No; Yes}. Sectors with agreements are indicated by \*.

*Source:* Union density, employer density, bargaining coverage data are from Eurofound (2016), #meetings are from European Commission (2010) and European Commission – Social Dialogue Text Database.

Table 3. Classification of engagement patterns for EU-27 and 28 sectors

European sectoral social dialogue engagement			
		High	Low
Agreements (Yes/No)			
Structural capacity of sectoral social dialogue systems at national level in the EU-27	<b>Strong</b>	<i>Civil aviation</i> <i>Electricity</i> <b>Hospital</b> <i>Post and courier</i> <b>Railway</b>	<i>Banking</i> <i>Education</i> <b>Inland water transport</b> <i>Public administration</i> <b>Sea and coastal water transport</b> <i>Steel</i> <i>Sugar</i>
	<b>Weak</b>	<i>Agriculture</i> <b>Chemical</b> <i>Commerce</i> <i>Gas</i> <i>Horeca</i> <b>Personal services</b> <b>Sea fisheries</b> <i>Telecommunication</i>	<i>Cleaning activity</i> <i>Footwear</i> <i>Insurance</i> <i>Metal</i> <i>Paper</i> <b>Private security</b> <i>Tanning and leather</i> <i>Textile and clothing</i>

*Note:* Sectors in which agreements were concluded are marked in **bold** and sectors in which no agreements were concluded are marked by using *italics*. The categorization is based on Table 2 and sectors within each category are listed alphabetically.

Table A1: Sector list and industrial relations indicators and SSDC agreements

Sector	NACE	Formal SSDC	Union Density	Employer Density	Bargaining Coverage	SSDC Agreements (2004–2013)
<i>Agriculture</i>	01	1999	23.9	58.5	68.7	No
<i>Banking</i>	64 (except 64.11)	1999	34.3	72.1	82.1	No
<i>Chemical</i>	20, 21, 22	2004	21.8	37.0	70.3	‘Health and safety’ (2006)
<i>Civil aviation</i>	62.1, 62.2, 63.23	2000	62.7	50.1	84.5	No
<i>Cleaning activity</i>	81.2	1999	12.1	46.7	63.7	No
<i>Commerce</i>	45, 46, 47	1999	5.9	24.0	57.8	No
<i>Education</i>	P.85	2010	32.7	25.1	88.1	No
<i>Electricity</i>	35.1	2000	29.0	62.3	83.8	No
<i>Footwear</i>	15.2.0	1999	19.9	49.1	74.8	No
<i>Gas</i>	40.2	2007	47.5	41.8	78.1	No
<i>Horeca (Hotel/restaurant/catering)</i>	55 (except 55.29)	1999	14.1	47.5	65.8	No
<i>Hospital</i>	85.11	2006	55.8	64.6	82.7	‘Health and safety’ (2009)
<i>Insurance</i>	65.1, 65.2	1999	29.3	75.2	66.0	No
<i>Inland water transport</i>	61.2	1999	33.0	31.0	82.8	‘Working time’ (2012)
<i>Metal</i>	C24, C25, C26, C27, C28	2010	22.7	46.0	73.9	No
<i>Paper</i>	17.1, 17.2	2010	30.7	45.7	76.0	No
<i>Personal services</i>	93.02	1999	15.0	32.1	43.7	‘Training’ (2009)
<i>Post and courier services</i>	64.11, 64.12	1999	45.3	67.1	81.0	No
<i>Private security</i>	80.1	1999	22.9	63.8	66.5	‘Training’ (2010)
<i>Public administration</i>	O.84	2010	44.4	21.8	86.9	No
<i>Railway</i>	63.21	1999	63.7	68.9	94.7	‘Working time’ (2004), ‘Working conditions’ (2004), ‘Training’ (2009)
<i>Sea and coastal water transport</i>	61.1	1999	67.2	71.2	66.6	‘Working conditions’ (2008)
<i>Sea fisheries</i>	03.11	1999	16.1	43.8	51.4	‘Working time’ (2012)
<i>Steel</i>	27.1	2006	64.8	68.8	88.6	No

<i>Sugar</i>	15.83	1999	57.8	73.9	90.1	No
<i>Tanning and leather</i>	19.1	2001	39.6	65.2	76.7	No
<i>Telecommunication</i>	64.20	1999	44.6	52.0	73.3	No
<i>Textile and clothing</i>	13, 14	1999	24.6	42.9	57.3	No

*Note:* Column NACE shows Eurostat's classification of economic activities. Column 'Formal SSDC' shows the year when the respective SSDC according to the Commission Decision (European Commission, 1998) was established. Average trade union, employers' organisation density and collective bargaining coverage across countries defined in percentage terms (Eurofound, 2016). Column 'Agreement' shows the year and subject field of agreements concluded in the period 2004–2013.